FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

State: Tennessee	Fiscal Year to which credit applies: 2008
Overall Report _X_ (check one) Two-parent Report ___	Apply the overall credit to the two-parent participation rate? _X_ yes ____ no

PART 1 –Eligibility Changes Made Since FY 2005

1. Name of eligibility change: **Increase of the Consolidated Need Standard/Increase of Earned Income Disregard**

2. Implementation date of eligibility change: **July 1, 2007**

3. Description of policy, including the change from prior policy:

Tennessee's TANF payment does not meet 100% of need as defined by the Consolidated Needs Standard. A standard payment amount is set for each family size based on available state and federal funds. Income available to the assistance group (after all appropriate disregards and deductions have been applied) is subtracted from Consolidated Needs Standard to determine the deficit. Payment is the deficit or the standard payment amount for the assistance group size, whichever is less. The Consolidated Need standard for FY 05 was $942 (based on the average family size of 3). Effective July 1, 2007, the CNS increased to $993 (based on the average family size of 3).

Effective July 1, 2007 the earned income disregard increased from $150 to $250.

4. Description of the methodology used to calculate the estimated impact of this eligibility change (attach supporting materials to this form):

Using a baseline of 2005, we looked at the number of families who became eligible for TANF after the CNS was updated in 2006. We then looked at the number of families with earnings who would stay on the program with the $150 disregard. We added these two numbers together for each month October 2005-June 2006. For the changes effective July 1, 2007, we also looked at the number of families, based on family size, who were eligible for assistance due to the CNS increase for July, August, and September 2007 and the number who would continue to be eligible with earnings for the $250 disregard and added those two numbers together. The average number of families was 398.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year: **398**

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State: Tennessee	Fiscal Year to which credit applies: 2008

1. Name of eligibility change: **State Only Alien Eligibility**
2. Implementation date of eligibility change: **July 1, 2006**
3. Description of policy, including the change from prior policy:

For aliens made ineligible by PRWORA, Tennessee continued to offer services with state only funds under old AFDC rules through June 30, 2006. Effective July 1, 2006 open cases under this eligibility category were closed.

4. Description of the methodology used to calculate the estimated impact of this eligibility change: (attach supporting materials to this form)

A Special Desk Review was completed for all cases receiving benefits containing Aliens who remained eligible under old AFDC policy. We verified their current alien status with the Department of Homeland Security and checked for eligibility under PROWORA. We closed 108 cases to comply with our new policy. We will count this number July 2006 through October 2008 thereby incorporating the residual effect of this policy change. This 29 month period is based on the 2005 Families First Case Characteristics Study that states the average number of months an assistance group receives benefits is 28.5 months.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year: **108**

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State: Tennessee **Fiscal Year to which credit applies: 2008**

1. Name of eligibility change: **Diversion**
2. Implementation date of eligibility change: **July 1, 2007**
3. Description of policy, including the change from prior policy:

Effective July 1, 2007, Tennessee began to offer lump-sum payments to qualifying families who would otherwise be eligible for full TANF program participation. Families receiving lump sum payments must have short-term needs that would be better addressed with a one-time payment than through full program participation. Prior to July 1, 2007, Diversion was not available in Tennessee.

4. Description of the methodology used to calculate the estimated impact of this eligibility change: (attach supporting materials to this form)

We used the number of individuals who received lump-sum payments in lieu of full TANF program participation for July, August, and September 2007 and calculated the monthly average. Because the option was only available for the last 3 months of the fiscal year, we assumed clients would have remained on the caseload for the entirety of the year.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year: **-27**

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State: Tennessee	Fiscal Year to which credit applies: 2008

1. Name of eligibility change: **Marriage During Receipt**
2. Implementation date of eligibility change: **July 1, 2007**
3. Description of policy, including the change from prior policy:

Effective July 1, 2007 TANF caretakers who marry during receipt of assistance have the option of excluding the new spouse from the assistance unit, regardless of income, for up to three months beginning on the first day of the month after the marriage occurs. If the caretaker waives the exclusion, the family must meet all TANF eligibility requirements immediately. Prior to July 1, 2007 if a caretaker married during receipt and opted to exclude the new spouse, the exclusion remained in effect until case closure.

4. Description of the methodology used to calculate the estimated impact of this eligibility change: (attach supporting materials to this form)

This was a rule simplification that appears to have no impact on the caseload.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year: **0**

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

State: Tennessee **Fiscal Year to which credit applies: 2008**

1. Name of eligibility change: **Elimination of 18 Month Time Limit**
2. Implementation date of eligibility change: **July 1, 2007**
3. Description of policy, including the change from prior policy:

Effective July 1, 2007, Tennessee eliminated the 18-month interim time limit. Prior to July 1, families receiving assistance could only do so in 18-month spells. When a family reached the end of an 18-month spell, their case was reviewed to see if they were eligible for a good cause extension. If they were not, the family was ineligible for assistance for a 3-month period of time, after which they could reapply for assistance. With the elimination of the 18-month interim time limit families are able to receive assistance, uninterrupted, provided they are in compliance with program requirements, until they reach their 60-month lifetime limit.

4. **Description of the methodology used to calculate the estimated impact of this eligibility change: (attach supporting materials to this form)**

We took the number of clients who would have reached 19 months in July, August, and September 2007 who were also present in the caseload the month prior. We assumed that these clients had 3 months of benefit receipt they would not have had prior to July 1. To account for those who were not cut-off at 18 months due to a good cause extension, we looked at the average number of families who received good cause extensions after 18 months of benefit receipt during the six months leading up to the loss of the 1115 waiver. We then divided that number by 3, since clients remain on extension for 3 months. That number was 386. We then subtracted 386 from the number of clients in July, August, and September 2007 who had reached 19 months as described above. We then added those numbers into the excel worksheet provided and the monthly average was 420.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year: **420**

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

State: Tennessee **Fiscal Year to which credit applies: 2008**

1. Name of eligibility change: **Sanctions**
2. Implementation date of eligibility change: **July 1, 2007**
3. Description of policy, including the change from prior policy:

Prior to July 1, 2007, when a family did not comply with work requirements, a worker would attempt phone contact with a family. If the worker reached the client and found that good cause did not exist and that the client did not wish to comply or if the client was not reachable, the case was closed. For the first sanction, and family was ineligible until compliance; for any subsequent sanctions, the family was ineligible for assistance for a 3-month period or until compliance, whichever was greater. Effective July 1, 2007 the 3-month period of ineligibility for subsequent sanctions was eliminated. As of July 1, when a family fails to comply, a worker closes the case and attempts to contact the family during a 10-day adverse action period. If the client is not contacted, the case remains closed. If the client is contacted and has good cause for noncompliance, the case is reopened. If there is no good cause, the client must comply for 5 days, at which point the case is reopened.

4. Description of the methodology used to calculate the estimated impact of this eligibility change: (attach supporting materials to this form)

We would expect that this policy change would make it easier for families to remain eligible for assistance, as the 3 month period of ineligibility was excluded and families are able to comply with requirements quicker. However, in the first months after this change went into effect we did not see an impact on the caseload that could be attributed to this change. This may be due to the fact that we had very few clients who were on a second or subsequent sanction prior to the July change. At this time, the Department opts to forgo a credit. However, we will reassess the impact of this policy in future years to see if there has been a measurable impact on the caseload after October 1, 2007.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year: **0**

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

State: Tennessee **Fiscal Year to which credit applies: 2008**

1. Name of eligibility change: **Six Month Extensions**
2. Implementation date of eligibility change: **July 1, 2007**
3. Description of policy, including the change from prior policy:

Effective July 1, 2007, Tennessee instituted a 6-month extension period for families reaching the 60-month lifetime limit. This policy change is only in effect until July 1, 2008 and will not be available to families who reach their lifetime limit after that date. The reason for this was to help families transition from our 1115 waiver program. Under that waiver program, which ended June 30, 2007, families did not reach time limits as quickly due to time clock interruptions. Families who are eligible for extensions within the first year of the post-waiver program will have the option of receiving a good cause extension once that 6-month period is exhausted. Families receiving a 6-month extension prior to July 1, 2008 will count towards the 20% of our caseload eligible for an extension. Families who reach their 60-month lifetime limit after July 1, 2008 will be eligible for good cause extensions.

4. Description of the methodology used to calculate the estimated impact of this eligibility change: (attach supporting materials to this form)

In July 2007, 9 clients received a 6-month extension, in August 13 received the extension, and in September 26 received the extension. After adding these numbers together, the yearly average is 7.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year: **7**

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

State: Tennessee	Fiscal Year to which credit applies: 2008

1. Name of eligibility change: **Pro Rata Reduction for Excess State Spending**
2. Implementation date of eligibility change: **October 1, 2007**
3. Description of policy, including the change from prior policy:

In order to continue serving TANF eligible clients with employment and supportive services, Tennessee has opted to increase state spending beyond the federally mandated level of 75% of 1995 spending. While caseloads have declined in the state, the Department now invests in services beyond income maintenance.

4. Description of the methodology used to calculate the estimated impact of this eligibility change: (attach supporting materials to this form)

Because Tennessee served its two-parent caseload under a separate state program for most of FY 2007, and because the State met its all-family work participation rate requirement in FY 2007, the relevant spending floor is 75 percent of the basic MOE amount.

The pro rata reduction is calculated as the number of cases the state has funded beyond those that mandated funding would have supported. The pro rata reduction is calculated as the state excess MOE divided by the average cost per case, where cost is the sum of state and federal TANF funds.

The end result is a pro rata reduction of need to add here cases. This number is subtracted above from the actual FY 2007 monthly average caseload to yield the adjusted FY2007 caseload of need to add here.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year:

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

State: Tennessee **Fiscal Year to which credit applies: 2008**

1. Name of eligibility change: **Early Re-entry for Voluntary Quit**
2. Implementation date of eligibility change: **October 5, 2005 and July 1, 2007**
3. Description of policy, including the change from prior policy:

Previously under Voluntary Quit policy, assistance groups were sanctioned for three months regardless of circumstances beyond good cause. Effective July 1, 2006, assistance groups can reestablish eligibility during the disqualification period if the individual who quit the job does one of the following:

Secures employment that is comparable in gross wages to the job which was quit; or

Becomes exempt from work requirements; or

Leaves the assistance group.

Effective July 1, 2007 individuals who voluntarily quit a job may reenter the program by complying with their work activity for 5 days.

4. Description of the methodology used to calculate the estimated impact of this eligibility change: (attach supporting materials to this form)

Cases closed for Voluntary Quit are tracked on a monthly basis. The policy effective October 5, 2005 would be expected to increase caseloads through a more rapid increase in recidivism among those sanctioned for voluntary quit. Individuals who returned in less than three months would clearly increase caseloads for one or two months. However, comparison of data from 2006 with 2007 revealed no significant increase in early return to TANF. The policy change may not be well understood among clients. A comparison of individuals sanctioned April through September of 2005 with those sanctioned for voluntary quit for the same months of 2006 shows no substantive difference on their return to the program within three months. For the policy effective July 1, 2007, because this change has only been in effect for the last 3 months of the fiscal year, we did not see a measurable impact on our caseload. Base don policy changes for previous years, we do not anticipate seeing an impact on our caseload. As forgoing a caseload reduction credit for this policy change is the most conservative option, the Department opts to claim no caseload reduction credit for the policy change for FFY 2007, and to reassess the impact in subsequent years.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year: **0**

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State: Tennessee	Fiscal Year to which credit applies: 2008

1. Name of eligibility change:
2. Implementation date of eligibility change:
3. Description of policy, including the change from prior policy:
4. Description of the methodology used to calculate the estimated impact of this eligibility change: (attach supporting materials to this form)
5. Estimated average monthly impact of this eligibility change on caseload in comparison year:

State: Tennessee	Fiscal Year to which credit applies: 2008

PART 2 – Estimate of Caseload Reduction Credit

Will add as soon as we have Pro Rata for Excess MOE

State: Tennessee	Fiscal Year to which credit applies: 2008

PART 3 -- Certification

I certify that we have provided the public an appropriate opportunity to comment on the estimates and methodology used to complete this report and considered those comments in completing it. Further, I certify that this report incorporates all reductions in the caseload resulting from State eligibility changes and changes in Federal requirements since Fiscal Year 2005.

____
(signature)

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(name)

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(title)